

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2021-213-E - ORDER NO. 2021-500
JULY 26, 2021

IN RE:	Application of Duke Energy Carolinas, LLC)	ORDER APPROVING
	for Approval of the Transfer and Sale of)	SALE OF REAL ESTATE
	Property in Henderson County, North)	IN HENDERSON
	Carolina)	COUNTY, NORTH
)	CAROLINA

Pursuant to S.C. Code Ann. § 58-27-1300, this matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application of Duke Energy Carolinas, LLC (the “Company” or “DEC”) for an approval of the transfer and sale of certain real estate known as the Henderson County, North Carolina property (the “Property”). The Property is located in DEC’s North Carolina service territory.

The Property consists of certain real estate that is not required for DEC’s current utility operations. The Property is a 25.07-acre tract acquired in December 2018 for the siting and construction of a new substation. Since the substation has been sited, the Company is able to sell the unneeded portion of the larger property.

DEC seeks to sell this Property to Bunrootis LLC, a company not affiliated with DEC. The Company represents this transaction will have no impact upon its ability to provide reliable service to its customers at just and reasonable rates.

DEC represents it has entered into a contract with Bunrootis LLC to sell the property for \$1,750,000 or \$69,804 per acre. Further, DEC states the Property received a

Broker Opinion of Value valuing the Property at \$1,611,199, or \$64,268 per acre. The Property has a tax value of \$1,125,442, or \$44,892 per acre.

The original cost of the Property will be credited as a reduction of the amount carried under Account 105, “Plant Held for Future Use.” The difference between the sales price and the original cost of the non-depreciable Property will be applied to Account 421.10, “Gain on Disposition of Property.”

The Company’s Application was filed on June 23, 2021, and the Company served its Application on the South Carolina Office of Regulatory Staff (“ORS”). ORS informed the Commission by correspondence dated June 30, 2021, that it had no objection to the request. Further, no opposition to the request has been filed in the Docket.

Based upon consideration and review of the information and filings in the record, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Duke Energy Carolinas, LLC has filed an Application for approval of the transfer and sale of certain real estate known as the Henderson County, North Carolina property.
2. The Property consists of certain real estate that is not required for DEC’s current utility operations.
3. The Property is a 25.07-acre tract acquired in December 2018 for the siting and construction of a new substation. Since the substation has been sited, the Company is able to sell the unneeded portion of the larger property.

4. DEC represents it has entered into a contract with Bunrootis LLC, a company not affiliated with Duke, to sell the property for \$1,750,000 or \$69,804 per acre.

5. The property received a Broker Opinion of Value valuing the Property at \$1,611,199, or \$64,268 per acre. The Property has a tax value of \$1,125,442, or \$44,892 per acre.

6. For accounting purposes, the original cost of the Property will be credited as a reduction of the amount carried under Account 105, "Plant Held for Future Use." The difference between sales price and the original cost of the non-depreciable Property will be applied to Account 421.10, "Gain on Disposition of Property."

7. There is no objection to the transfer and sale from the Office of Regulatory Staff.

8. The record shows that the sale is just and reasonable, and the Company proposes to properly account for it in its books.

CONCLUSIONS OF LAW

1. The property must come before the Commission for approval of the transfer and sale under S.C. Code Ann. § 58-27-1300, which requires Commission approval of the transfer and sale of utility property with the value of greater than \$1 million.

2. The Henderson County, North Carolina property in the present case is valued at greater than \$1 million, so approval of the transfer and sale of the property is required.

3. The transfer and sale should be approved.

4. The recommended accounting treatments are just and reasonable and will not result in any rate changes to the Company's customers. Accordingly, these accounting treatments should also be approved.

ORDERING PARAGRAPHS

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. The sale of the Property and the accounting treatments proposed are approved.
2. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



Justin T. Williams, Chairman
Public Service Commission of
South Carolina